

Baltimore, Md., August 8, 1912.

A meeting of the Board of Public Works was held at the Governor's Office, Union Trust Building, at 12 o'clock, noon, this date.

Present: Governor Goldsborough, Treasurer Vandiver and Comptroller Harrington.

The following communications relative to rates for water used at the various State buildings in Annapolis were read and referred to the Attorney General for such action as may be deemed proper to protect the State's interest:

August 2, 1912.

Hon. P. L. Goldsborough,
Governor,
Annapolis, Md.

My dear Sir:

I beg to hand you herewith letter of Frank H. Thompson, Secretary of the Annapolis Water Company, advising that the Board of Directors of said Company had increased the water rates to the State of Maryland from \$500. per annum to \$1600 per annum, dating from July 1st, 1912, adopted by an order passed by said Board on July 29th, 1912.

In this connection I beg to call your attention to Section 8 of Chapter 123 of the Acts of 1865, in which you are authorized "to contract with the President and Directors of the said Company, or their agent or agents, annually, to supply the public buildings and grounds belonging to the State at the same rate and terms upon which water is furnished to the citizens of Annapolis." While all the stock of said Company is owned by the City of Annapolis, nevertheless the same is being run as a corporation and as such subject to the rules and regulations of the Public Service Commission, and I would, therefore, respectfully advise that this matter be brought to the attention of the Board of Public Works at its next meeting.

Respectfully yours,

E. C. Harrington, Comptroller.

Dictated H. J. H.

Aug. 1st, 1912.

State of Maryland,

per Emerson C. Harrington, Comptroller,

Dear Sir:

Enclosed kindly find water rent bill for water furnished State from Apr. 1st, 1912 to July 1st, 1912. At a meeting of the Board of Directors of the Annapolis Water Company held July 29th, 1912, I am ordered to inform you that dating from July 1st, 1912 the water rate for water furnished the State by the Annapolis Water Company will be \$400, Four

Hundred dollars per quarter.

Very respectfully,

Frank H. Thompson, Secretary.

August 8, 1912.

The Annapolis Water Company,
Annapolis, Maryland.

Dear Sirs:

Your letter of August 1, addressed to the "State of Maryland, per Emerson C. Harrington, Comptroller", has been referred to me. You advise in that letter that, at a meeting of the Board of Directors of the Annapolis Water Company held July 29, 1912, that dating from July 1, 1912, the water rate for water furnished the State by the Annapolis Water Company will be \$400.00 per quarter. The contract now existing calls for an annual payment for this service of \$500.00. I would direct your attention to the fact that Chapter 123 of the Acts of 1865 states that your Company shall supply annually the public buildings and grounds belonging to the State "at the same rate and terms upon which water is furnished to the citizens of Annapolis."

This being true, I write to inquire if the meter system is not in vogue and used as a method of registering the amount of water furnished the citizens of Annapolis, and, if so, what is the rate accordingly charged. Also if you do not make annual or quarterly rates by special contract.

Again, I would ask if your Company can make your charges retroactive, that is, to take effect from a date before the passage of the resolution referred to in your letter, and prior to notice thereof being given the State. Further, if the charge is to be by the quarter, I would inquire if your quarters do not begin January, April, July and October in each and every year.

You are further advised that I will refer your letter to the Attorney General, and after I have had an answer from that official, I shall be glad to take up this question with you for final determination.

Yours truly,

P. L. Goldsborough.

August 8, 1912.

Hon. Edgar Allan Poe,
Attorney General of Maryland,
Baltimore, Maryland.

My dear General:

I am referring you herewith letter from the Annapolis Water Company advising us of increased rate to be charged the State of Maryland, Comptroller Harrington's letter to me, and a copy of my letter to the Annapolis Water Company. I would refer you to Chapter 123 of the Acts

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of 1865, in which, among other things, it is stated that "water shall be furnished to the public buildings and grounds belonging to the State at the same rate and terms upon which water is furnished to the citizens of Annapolis". I desire to be advised, if you please, just what right, under this statute, the Water Company in question has to advance charges to the State for water furnished, and what right, if any, they have to make the increased rate effective July 1, a date prior to notice served upon us of their intention to charge an increased rate.

I understand that their custom in the matter of charges to the citizens of Annapolis is by meter service, that is to say, so much per thousand gallons, and by special contract.

Your prompt reply to this letter will be appreciated.

Yours truly,

P. L. Goldsborough.

August 9, 1912.

Hon. Phillips Lee Goldsborough,
Governor of Maryland,
Annapolis, Maryland.

My dear Governor:

I have yours of the 8th with its several enclosures in reference to the increased charge made by the Annapolis Water Company against the State for water furnished the State Buildings, to take effect as of July 1st, 1912. The Company, in my opinion, certainly has no right to suddenly increase its rate and make the same retroactive. Just when a new rate can legally be enforceable will depend upon the terms of the existing contract between the State and Company. Under Chapter 123 of the Acts of 1865, referred to by you, the Company cannot discriminate in its charges against the State, and in no event can it charge the State or any individuals a rate that is unfair or unreasonable. If it attempts to do so the matter can be laid before the Public Service Commission for proper action. The State, of course, in view of the provisions of Chapter 123 of the Acts of 1865, cannot complain if the rate charged against it is a fair and reasonable one, and is similar to the rate charged against the citizens of Annapolis, but it certainly should not submit to a rate which is either unreasonable or in excess of that charged against the citizens of Annapolis. I feel confident that if you or the Board of Public Works takes the matter up with the Annapolis Water Company, there will be no difficulty in arriving at a satisfactory price to be paid for the water furnished the State Buildings.

I return the correspondence that was handed me this morning by Mr. Dawson.

Very truly yours,

Edgar Allan Poe.

Various letters were offered and submitted to the Board relative to offices for the various State departments located in Baltimore City. Also the matter of the present lease by the State with the Union Trust Company was discussed, whereupon, the Secretary of the Board of Public Works was authorized to take up the matter of present lease to see if it could not be arranged for monthly tenancy, and then report to the Board. It was also suggested that he might see what terms may be made with the Young Men's Christian Association, who offer their building on the corner of Saratoga & Charles Street; also to see what the present State officers are now paying, and the terms of their lease.

The Governor called the attention of the Board to the advertising of "The Technical School Loan of 1912", as authorized by Chapter 90 of the Acts of 1912 and in pursuance thereof, the following order was adopted:

ORDERED, That the Governor, be, and he is hereby directed to advertise the said loan twice a week for four successive weeks between the first day of August and the fifteenth day of September in the "Baltimore Sun" "Baltimore News", "Baltimore American", and once a week for four successive weeks in "The Daily Bond Buyer", of New York City, to receive bids for \$600,000 of the said certificates, same to bear interest at the rate of four (4) per centum per annum, \$300,000, to be issued in the denomination of \$1000 each and \$300,000 to be issued in the denomination of \$500 each, subject to registration as to principal.

There being no further business the Board adjourned.

Robert P. Chasaw

Secretary.